



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

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M E M O R A N D U M

#06-19

TO: All Department & School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: May 16, 2006

SUBJECT: **FY 2007 FRINGE BENEFITS COSTS**

Charges for fringe benefits for **Fiscal Year 2007** are as follows (if there are any changes you will be promptly notified):

F.I.C.A. - EMPLOYER'S SHARE

The **Maximum Old Age Survivors Disability Insurance (O.A.S.D.I.)** withholding effective for the period July 1, 2006, through December 31, 2006, is based on earnings of \$94,200 at a rate of 6.2%. The earnings maximum for Medicare withholding effective for the period July 1, 2006, through December 31, 2006, is unlimited at a rate of 1.45%. Effective **January 1, 2007**, the employer rate is expected to remain 6.2% for O.A.S.D.I. and 1.45% for Medicare. The O.A.S.D.I. maximum earnings is **estimated** to be \$96,600 and the Medicare maximum earnings will be unlimited.

PENSION

The pension cost calculation rate for **FY 2007** is currently expected to be 15.66%.

HEALTH INSURANCE

Effective July 1, 2006, the State's contribution for eligible employees is attached. An eligible employee is one with three (3) months or more continuous full-time service.

WORKER'S COMPENSATION

The rate effective July 1, 2006, is 1.60% of payroll.

DEFERRED COMPENSATION MATCH

The rate effective July 1, 2006, is .13% of payroll.

UNEMPLOYMENT INSURANCE

The rate effective July 1, 2006, is 0.17% of payroll.

NOTE: All employer fringe benefits above will automatically be charged to budgetary accounts.

All payroll recodings (Object codes 1001-1199) are to be done on an EX form. For schools, all General Fund payroll appropriations 0101 through 0136, and 0138 will have employer fringe benefits charged to appropriation 0139. For all non-school agencies, salaries will be charged to appropriation 0137 and will have fringes charged to 0137. Therefore, **unless** payroll recodings are between schools' General Fund appropriations 0101 and 0136, and 0138, the EX form must also show recoding of all applicable fringe benefits between the payroll accounts being recoded.

TLN:eed

Attachment

2006 HEALTH CARE RATES

New Rates Effective July 1, 2006	Total Monthly Rate	State Pays	Employee Pays Monthly
BLUE CROSS BLUE SHEILD OF DELAWARE			
Basic Plan:			
Employee	\$437.80	\$437.80	\$0
Employee & Spouse	\$898.78	\$898.78	\$0
Employee & Child(ren)	\$660.38	\$660.38	\$0
Family	\$1,123.42	\$1,123.42	\$0
First State Health Plan:			
Employee	\$443.12	\$437.80	\$5.32
Employee & Spouse	\$916.58	\$898.78	\$17.80
Employee & Child(ren)	\$673.42	\$660.38	\$13.04
Family	\$1,145.66	\$1,123.42	\$22.24
Comprehensive PPO Plan:			
Employee	\$486.40	\$437.80	\$48.60
Employee & Spouse	\$1,001.70	\$898.78	\$102.92
Employee & Child(ren)	\$742.50	\$660.38	\$82.12
Family	\$1,252.16	\$1,123.42	\$128.74
Blue Care®			
Employee	\$453.20	\$437.80	\$15.40
Employee & Spouse	\$946.48	\$898.78	\$47.70
Employee & Child(ren)	\$687.32	\$660.38	\$26.94
Family	\$1,182.26	\$1,123.42	\$57.84
COVENTRY HEALTH CARE OF DELAWARE, INC.			
Employee	\$458.50	\$437.80	\$20.70
Employee & Spouse	\$945.38	\$898.78	\$46.60
Employee & Child(ren)	\$697.76	\$660.38	\$37.38
Family	\$1,178.82	\$1,123.42	\$55.40